



## Commonwealth of Kentucky Public Protection Cabinet

Steven L. Beshear, Governor

Robert D. Vance, Secretary

FOR IMMEDIATE RELEASE

CONTACT: Ronda Sloan  
502-564-6098  
502-330-1804 (cell)

### **ANNUAL WORKERS' COMP FILING APPROVED** *Loss costs decrease for eighth consecutive year*

**FRANKFORT, Ky. (Aug. 26, 2013)** – An annual filing most insurance carriers will use to develop rates for workers' compensation coverage shows the eighth consecutive overall decrease in loss costs, Department of Insurance Commissioner Sharon P. Clark announced today.

The 2013 filing, approved by the state Department of Insurance and effective Oct. 1, is by the National Council on Compensation Insurance Inc. (NCCI), an advisory organization that serves as the oldest provider of workers' compensation and employee injury data and statistics in the nation.

Data collected from insurance carriers is used to develop loss costs, which are the average compensation for lost wages, based on the level of disability, plus medical benefit payments. Use of the information is voluntary but most workers' comp carriers use the NCCI loss cost values as a base to which the insurer's own loss adjustment and overhead expenses are added to arrive at the rates charged to Kentucky employers.

The loss cost figures show an average reduction of 7.9 percent for the 590 industrial classes used in Kentucky, the same decrease as in 2012. The industrial classes include manufacturing, office and clerical, contracting, and goods and services. For coal classes, surface mining decreased 4.9 percent and underground mining costs decreased 4.8 percent.

"We recently heard from NCCI management that the countrywide outlook for workers' comp rates has changed from 'conflicted' to 'encouraging,'" said Clark. "Kentucky workers and employers have enjoyed eight consecutive decreases, lowering loss costs on average 46.8 percent. The trend continues to be positive for Kentucky."

###